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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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Mark Nadel - 10/15/94
IN REPLY REFER TO:

X 132-1301

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92-77

Honorable Wendell H. Ford
United States Senate
173-A Russell Senate Office Building
Washington, D.C. 20510-1701

Dear Senator Ford:

Thank you for your letter of February 24, 1994, on behalf of Raymond J. Sabbatine, Director of the Lexington/Fayette Urban County Government Division of Detention, regarding the Commission's Billed Party Preference (BPP) rulemaking proceeding. The concerns raised by Mr. Sabbatine regarding the impact of BPP on telephone service to inmates in correctional facilities have been discussed in several of the written comments filed by parties in response to the Commission's May 1992 Notice of Proposed Rulemaking (Notice) in this proceeding. I can assure you that these concerns will be carefully evaluated by the Commission and its staff in connection with our review of the record in this proceeding.

In light of your interest in this proceeding, it may be helpful to summarize briefly the current status of this proceeding. As you are probably aware, adoption of the proposed BPP rules would require technical modifications to the telephone network to permit the consumer who will be billed for 0+ operator-assisted calls to select a long-distance carrier for those calls.

The Notice tentatively concluded that implementation of BPP was, in concept, in the public interest. The Commission noted that BPP would simplify operator service calling by enabling callers to reach the billed party's preferred long-distance carrier automatically, without having to use a carrier access code. The Commission also noted that BPP would likely encourage carriers to focus their competitive efforts on providing lower prices and better service to consumers. Because the owners of the payphone or other telephone from which a credit card call is placed currently select the "0+" long-distance carrier, such carriers today compete with one another in part by paying commissions to the telephone owners. The cost of these payments is reflected in the rates paid by consumers for operator-assisted calls. Finally, the Commission suggested that BPP could eliminate AT&T advantages in the operator services market and enable other carriers to compete more effectively. The Notice solicited comments on these potential benefits of implementing BPP. Groups representing inmate families and friends have filed ex parte comments strongly supporting BPP.

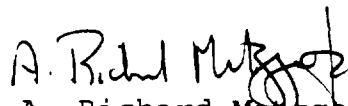
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The Notice also asked for information and comment about the disadvantages of BPP, including its cost and its impact on operator services and payphone competition. In addition, the staff has met with parties, including providers of operator services, serving prison facilities to discuss approaches to implementing BPP that would avoid interference with prison security needs. BPP would not preclude prison officials from blocking inmate calls to specific phone numbers or from limiting inmate calling to a predesignated set of approved phone numbers in order to prevent fraud and abusive calls.

Commission staff is currently evaluating all of the comments we received in this proceeding. We will recommend adoption of this proposal only if we conclude that its benefits to consumers outweigh its costs.

Thank you for your interest in this proceeding. If you have any further questions or would like additional information, please contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "A. Richard Metzger, Jr.", with a stylized flourish at the end.

A. Richard Metzger, Jr.
Acting Chief
Common Carrier Bureau

Congressional *key*

03/01/94

PLEASE MAKE 2 EXTRA COPIES OF INCOMING, ATTACHMENTS,
AND REPLY FOR DOCKET FILE, ROOM 222.

CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM

03/01/94

LETTER REPORT

CONTROL NO.	DATE RECEIVED	DATE OF CORRESP	DATE DUE	DATE DUE OLA(857)
9400777	03/01/94	02/24/94	03/21/94	

TITLE	MEMBERS NAME	REPLY FOR SIG OF
Senator	Wendell Ford	BC

CONSTITUENT'S NAME	SUBJECT
Raymond Sabbatine	comments re: "Billed Party Preference"

REF TO	REF TO	REF TO	REF TO
CCB	POL	Mark Wahlberg	

DATE	DATE	DATE	DATE
03/01/94	3/2/94	3-3-94	

REMARKS: *cf* [REDACTED] create & return enclosure attn *cf*

United States Senate

CCP
92-77

MEMORANDUM

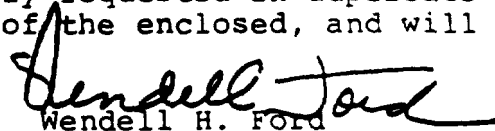
2/24/94

777

TO: Congressional Liaison
Lauren J. Belzin
Federal Communications Commission

RE: Attached Correspondence

This office desires to be quickly and thoroughly responsive to all inquiries and communications. Your consideration and report regarding the attached is respectfully requested in duplicate along with the return of the enclosed, and will be appreciated by


Wendell H. Ford
Kentucky

Please address envelope only to the attention of:

Martha Moloney



WENDELL H. FORD
KENTUCKY

United States Senate

WASHINGTON, DC 20510-1701

COMMITTEES:
COMMERCE, SCIENCE,
AND TRANSPORTATION
ENERGY AND
NATURAL RESOURCES
RULES AND
ADMINISTRATION

February 24, 1994

Dear Ray:

Thank you for your letter regarding the efforts of the Federal Communications Commission in the Billed Party Preference proposal. I will certainly pass on your concerns to Reed Hundt, Chairman of the FCC, and will contact you when I receive a response.

Best wishes.

Sincerely,



Mr. Raymond J. Sabbatine
Division of Detention
Lexington/Fayette Urban County Government
200 Clark Street
Lexington, Kentucky 40507

Division of Detention

Lexington/Fayette Urban County Government

200 Clark Street

Lexington, Kentucky 40507

94 FEB 22 PM 12:20

Raymond J. Sabbatine, Director of Detention

(606) 259-3476

February 18, 1994

The Honorable Wendell H. Ford
United States Senate
Room 173-A, Russell Senate Office Bldg
Washington, D. C. 20510

Dear Senator Ford:

We have recently become aware of the effort being made within the Federal Communications Commission to implement the Billed Party Preference (BPP) proposal. We are concerned that the full effect of this proposal has not been investigated thoroughly. A more detailed inspection of the issues and effects of this proposal will reveal the negative consequences involved. While we oppose any effort to institute Billed Party Preference, we recognize that there is a need to regulate the interstate rates associated with operator service providers.

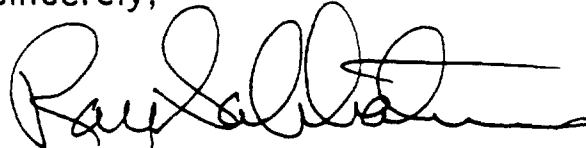
Our opposition is based on the following conclusions:

- This proposal will severely affect the ability of local correctional centers to provide the access to telephones that the inmate population desires and the families of the inmates demand.
- This proposal will remove the incentive for operator service providers to provide cost free inmate phone service to local correctional facilities by reducing competition.
- This proposal will eliminate a critical source of revenue used by local correctional administrators to provide inmates with programs and services that local government would otherwise not fund.

- This proposal will increase the manpower requirements necessary for monitoring inmate calls to prevent use of the phones for fraud and harassing purposes.

We hope that you will insist the Chairman of the Federal Communications Commission resolve these issues prior to taking any action on Billed Party Preferences. Thank you for your consideration of our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Sabbatine", with a long horizontal flourish extending to the right.

Raymond J. Sabbatine
Director of Detention